



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|-----------------|-------------|----------------------|---------------------|------------------|
|-----------------|-------------|----------------------|---------------------|------------------|

10/092,005

03/06/2002

Gordon P. Getty

8102P001

7579

8791

7590

11/24/2009

BLAKELY SOKOLOFF TAYLOR & ZAFMAN LLP
1279 OAKMEAD PARKWAY
SUNNYVALE, CA 94085-4040

EXAMINER

POLLOCK, GREGORY A

ART UNIT

PAPER NUMBER

3695

MAIL DATE

DELIVERY MODE

11/24/2009

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

| | | | |
|------------------------------|--------------------------------------|---|--|
| Office Action Summary | Application No. 10/092,005 | Applicant(s) GETTY, GORDON P. | |
| | Examiner GREG POLLOCK | Art Unit 3695 | |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09/09/2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3,5-18,20,22 and 23 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3,5-18,20,22 and 23 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This action is responsive to claims filed 09/09/2009 and Applicant's request for reconsideration of application 10/092005 filed 09/09/2009.

The amendment contains original claims 9 and 11.

The amendment contains previously presented claims 10, 18, and 20.

The amendment contains amended claims 1-3, 5-8, 12-17, 22, and 23.

Claims 4, 19, and 21 have been canceled.

As such, claims 1-3, 5-18, 20, 22, and 23 have been examined with this office action.

Abstract

2. The abstract of the disclosure is objected to because it is too short to significantly convey the content of application. Applicant is reminded of the proper content of an abstract of the disclosure.

A patent abstract is a concise statement of the technical disclosure of the patent and should include that which is new in the art to which the invention pertains. If the patent is of a basic nature, the entire technical disclosure may be new in the art, and the abstract should be directed to the entire disclosure. If the patent is in the nature of an improvement in an old apparatus, process, product, or composition, the abstract should include the technical disclosure of the improvement. In certain patents, particularly those for compounds and

compositions, wherein the process for making and/or the use thereof are not obvious, the abstract should set forth a process for making and/or use thereof. If the new technical disclosure involves modifications or alternatives, the abstract should mention by way of example the preferred modification or alternative.

The abstract should not refer to purported merits or speculative applications of the invention and should not compare the invention with the prior art.

Where applicable, the abstract should include the following:

- (1) if a machine or apparatus, its organization and operation;
- (2) if an article, its method of making;
- (3) if a chemical compound, its identity and use;
- (4) if a mixture, its ingredients;
- (5) if a process, the steps.

Extensive mechanical and design details of apparatus should not be given.

Correction is required. See MPEP § 608.01(b).

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. **Claims 1, 15, and 16** are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject

Art Unit: 3695

matter which applicant regards as the invention. Claims 1, 15 and 16 include the claim limit “an investment fund wanting to receive liquidity services from a liquidity vehicle”. It is unclear how “an investment fund” (a fund that holds securities for the benefits of one or more investors holding shares in the fund) can have a human quality such as “wanting”. The examiner suggest that the claim limit be corrected to read “an investment fund wanting to receive liquidity services from a liquidity vehicle”. Further, the claim limit “wanting to receive liquidity services from a liquidity vehicle for meeting financial obligations resulting from the redemption of at least one share of the at least one investment fund” is interpreted as a statement of intended use.

5. **Claims 17, 22, and 23** are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 17, 22, and 23 is not sufficiently precise due to the combining of two different statutory classes of invention in a single claim. The preamble the claim refers to a “computer-readable storage medium”, but the body of the claim discusses the specifics of a method as distinguish by such action words as (registering, determining, prompting, holding, and redeeming). A claim is considered indefinite if it does not apprise those skilled in the art of its scope. *Amgen, Inc. v. Chugai Pharm. Co.*, 927 F. 2d 1200, 1217 (Fed. Cir. 1991). A claim is considered indefinite if it does not apprise those skilled in the art of its scope. *Amgen, Inc. v. Chugai Pharm. Co.*, 927 F. 2d 1200, 1217 (Fed. Cir. 1991).

Claim Rejections - 35 USC § 101

6. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

7. 35 U.S.C. §101 requires that in order to be patentable the invention must be a “new and useful process, machine, manufacture or composition of matter or new and useful improvement thereof” (emphasis added). Applicant’s **claims 17, 22, and 23** are intended to embrace or overlap two different statutory classes of invention as set forth in 35 U.S.C. §101. The preamble the claim refers to a “computer-readable storage medium”, but the body of the claim discusses the specifics of a method as distinguish by such action words as (registering, determining, prompting, holding, and redeeming) - (see rejection of claims under 35 U.S.C. §112, second paragraph, for specific details regarding this issue).“ A claim of this type is precluded by express language of 35 U.S.C. §101 which is drafted so as to set forth statutory the statutory classes of invention in the alternative only”, Ex parte Lyell (17USPQ2d 1548).

Claim Interpretation - Intended Use or Intended Results

8. In determining patentability of an invention over the prior art, all claim limitations have been considered and interpreted as broadly as their terms reasonably allow. See MPEP § 2111.

Art Unit: 3695

Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Applicant always has the opportunity to amend the claims during prosecution, and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. In *re Pruter*, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-51 (CCPA 1969). See MPEP § 2111.

All claim limitations have been considered. Additionally, all words in the claims have been considered in judging the patentability of the claims against the prior art. The following language is interpreted as not further limiting the scope of the claimed invention. See MPEP 2106 II C.

Language in a method claim that states only the intended use or intended result, but the expression does not result in a manipulative difference in the steps of the claim. Language in a system claim that states only the intended use or intended result, but does not result in a structural difference between the claimed invention and the prior art. In other words, if the prior art structure is capable of performing the intended use, then it meets the claim. For example **claims 15 and 18** are interpreted as having a **system comprising a processor; and a memory in communication with said processor**. The remainder of the claim limits states the intended use of such components. However, such claims limits do not structurally distinguish themselves from any prior art which **system comprising a processor; and a memory in communication with said processor**. **Claims 1 and 16** also contain statements of intended use which required correction.

Claim Interpretation - Preamble

9. According to MPEP 2111.02, if the body of a claim fully and intrinsically sets forth all of the limitations of the claimed invention, and the preamble merely states, for example, the purpose or intended use of the invention, rather than any distinct definition of any of the claimed invention's limitations, then the preamble is not considered a limitation and is of no significance to claim construction. *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1305, 51 USPQ2d 1161, 1165 (Fed. Cir. 1999). See also *Rowe v. Dror*, 112 F.3d 473, 478, 42 USPQ2d 1550, 1553 (Fed. Cir. 1997) ("where a patentee defines a structurally complete invention in the claim body and uses the preamble only to state a purpose or intended use for the invention, the preamble is not a claim limitation"); *Kropa v. Robie*, 187 F.2d at 152, 88 USPQ2d at 480-81 (preamble is not a limitation where claim is directed to a product and the preamble merely recites a property inherent in an old product defined by the remainder of the claim); *STX LLC v. Brine*, 211 F.3d 588, 591, 54 USPQ2d 1347, 1350 (Fed. Cir. 2000). If a prior art structure is capable of performing the intended use as recited in the preamble, then it meets the claim. See, e.g., *In re Schreiber*, 128 F.3d 1473, 1477, 44 USPQ2d 1429, 1431 (Fed. Cir. 1997). **Claims 15 and 16** (lines 1-2) recite a system with the intended use "for providing liquidity utilizing a liquidity vehicle".

Claim Interpretation – “Whereby” (or “Wherein”) Clauses

10. **Claims 15-18, 20, 22, and 23** use of the phrase "whereby" or "wherein". A “whereby” clause that merely states the result of the limitations in the claim adds nothing to the patentability or substance of the claim [MPEP § 2111.04].

Claim Rejections - 35 USC § 103

11. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:
- (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.
12. Claims 1-3, 5-18, 20 and 22-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Goodwin (U.S. Patent No. 7035820) in view of Norris (PGPub Document No. 20030074300) in further view of Herald ("Critics say government's market stabilization policy short-sighted" in the Korea Herald).
- Regarding claim 1**, Goodwin discloses a computer-implemented method of providing liquidity utilizing a liquidity vehicle, comprising:
receiving, at a computer server, registration information from an investment fund wanting to receive liquidity services (column 9, lines 15-25; column 14, lines 17-20);
prompting, a computer server, at least one registered investment fund to offer shares to the liquidity vehicle (column 10, lines 26-31; column 12, lines 19-58; Table 1, buyer and seller alerts; column 22, lines 10-18; column 24, lines 40-46; column 25, lines 17-64); and
purchasing, by the computer server, at least one offered share of the at least one registered investment fund with proceeds of the purchase going to the at least one registered investment fund (column 2, lines 32-37; column 9, lines 40-45; column 17, lines 48-54).

Art Unit: 3695

Goodwin does not disclose holding the at least one purchased share in the liquidity vehicle for a period of time. However, Norris discloses holding the at least one purchased share in the liquidity vehicle for a period of time (page 1, paragraphs 5-6; page 2, paragraph 14; page 5, paragraphs 48, 52-53 and 55; page 6, paragraphs 61-62; page 7, paragraphs 80-81). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the selling of shares of securities through registration at a website as disclosed by Goodwin to adapt the use of repurchase agreements as disclosed by Norris. The motivation would be that both sales and repurchase agreements result in the sale of shares of a security and both are common and well known financial transactions in the financial field. Adapting the ability to engage in repurchase agreements using the website offering the sale of securities would result in the offering of a broader range of like financial transactions known in the art.

Neither Goodwin nor Norris disclose using the liquidity services to meet financial obligations resulting from the redemption of at least one share of the at least one investment fund and wherein a net share outflow comprises the registered investment fund having an excess number of shares being redeemed, excluding share redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a given period of time; and redeeming at least one of the at least one purchased share from the at least one registered investment fund following an occurrence of a net inflow of shares of the same at least one registered investment fund. However, the Herald discloses these limitations through the discussion of providing liquidity to investment trust and securities companies where it is anticipated that investors will redeem funds at greater than usual rates resulting in liquidity issues, accordingly the investment institutions are being offered repurchase agreements in order to meet the expected liquidity shortages and wherein repurchase agreements are entered into for the purpose of creating short term liquidity such that fluctuations of cash inflows and outflows can be accommodated, entering into a repurchase agreement when extra liquidity is required and then repurchasing the securities from a net inflow occurs and the extra liquidity is no longer required (page 1, final paragraph - page 2, first paragraph continued from page 1). It would be obvious to one of ordinary skill in the art at the time of invention to modify the trading of loans and securities as disclosed by Goodwin and the offering of REPOs for securities as disclosed by Norris to enter into a REPO for the purpose of meeting obligations resulting from the redemption of shares in excess of shares being purchased as disclosed by the Herald as a means to meet inflow and outflow requirements. The motivation would be to provide liquidity through financial mechanisms that are known in the art.

Regarding claims 2 and 3, Goodwin discloses the computer server is a third party (column 10, lines 26-31 ; column 12, lines 19-58; Table 1, buyer and seller

Art Unit: 3695

alerts; column 22, lines 10-18; column 24, lines 40-46; column 25, lines 17-64). Goodwin does not specifically disclose where the prompting is performed by the liquidity vehicle server. However, it would have been obvious to one of ordinary skill in the art at the time of the invention that the liquidity vehicle server could do the prompting. For example, the liquidity vehicle could be operating the trading system such that the liquidity vehicle would then be the party prompting. Eliminating a third party is an old and well known process.

Note that even though prior art has been applied to claims 2 and 3, the description of the "computer server" as "a liquidity vehicle server" and/or a "third party" server is non-function descriptive matter, and as such is give no patentable weight. Further, both claims 2 and 3 do further limit claim 1 from which they depend.

Regarding claim 5, Goodwin does not specifically disclose wherein the at least one offered share is purchased prior to the next trading day after an occurrence of an outflow of shares of the registered investment fund. However, Goodwin discloses a computer web site for which users have access to access in order to list items for sale in order to provide expedited liquidity (column 2, lines 32-46) in which buyers receive notification of available products for sale that match their preferences (column 12, lines 19-58). It would be obvious to one of ordinary skill in the art at the time of the invention for a buyer to buy shares of a listed investment fund with shares available for sale, and to do so prior to the next trading day. If a seller lists shares for sale on the liquidity system as disclosed by Goodwin, it is because the seller is actively seeking liquidity in the shares. A buyer who has listed preferences that match the items for sale would then want to buy those shares as they become available in order to maximize their investments strategies. If the buyer waits and the funds are not bought by the next trading day, the seller seeking liquidity could be interested in then opening the sale to a broader audience, the buyer would potentially loose out on the opportunity for investment. The computerized, Internet or other network based system of Goodwin provides a means of continual listing, notification, and matching of offers to buy and sell such that the parties are not restricted to trading day limitations.

Regarding claims 6-7 and 13-14, Goodwin does not specifically disclose wherein operation (e) is performed prior to a next trading day following an occurrence or within five or a specified number of trading days of an occurrence of an inflow of shares of the same at least one registered investment fund. However, it would have been obvious to one of ordinary skill in the art to designate a timeframe to include prior to the next trading day or within 5 days when an inflow of shares has been received. The motivation would be that the sale and purchase of the shares, as established in the original transaction, was meant to provide liquidity while the investment fund was in a state of need. When

Art Unit: 3695

the investment fund is no longer in a state of need, the investment fund would then regain ownership of the shares per the original agreement. The intent of the transaction is to provide short term liquidity and thus the time frame of the trade of funds for shares is also short term. Norris, for example, specifically discloses where the time frame is negotiated between parties and can range from anywhere to overnight to multi-week depending on requirements of parties (page 7, paragraph 84; page 8, paragraph 96).

Regarding claims 8, 11 and 12, Goodwin discloses wherein a fee is charged in connection with the purchase of the at least one offered share (column 10, lines 10-19). Goodwin does not disclose where the fee is determined and charged by the liquidity vehicle. However, it would be obvious to one of ordinary skill in the art that a liquidity vehicle could determine and charge fees, as it is old and well known in the field of conducting financial transactions to charge fees. As the liquidity vehicle is providing a service by purchasing shares from an investment fund requiring liquidity, it would be obvious for the liquidity vehicle to charge a fee for providing that service. It is old and well known for fees to be charged by various parties of a transaction for various elements of the transaction, ranging from initiation fees, documentation fees, closing fees, fees per dollar value of transaction, fees per number of transactions, fees based on the volume of a transaction, fees charged for late payments, fees for early termination, fees charged by a lender, fees charged by third parties, etc. As it relates to claim 2, Goodwin discloses fees being charged by the system operator. In the case of Goodwin, the system operator is a third party. However, as stated in the rejection of claim 2 above, it would be obvious that the liquidity provider could be the system operator, in which case the fee as disclosed by Goodwin would then be charged by the liquidity provider. Given the old and well known nature of charging fees by all involved parties and for any unlimited number of elements of a transaction, it would be obvious to one of ordinary skill in the art that the liquidity vehicle could charge any number of fees in exchange for the service of offering liquidity provided.

Regarding claims 9-10, Goodwin discloses wherein a purchase price is determined through an auction (column 2, lines 32-46; column 7, lines 63-67; column 24, lines 30-33; Table 3). Goodwin does not disclose wherein the fee is determined through an auction or a Dutch auction. However, it would be obvious to one of ordinary skill in the art that if the purchase is being conducted via an auction, that all applicable fees could be included in the price that is visible such that a bidder is bidding on a total price for the amount of liquidity required as well as the fees associated therewith.

Regarding claims 15-18, 20 and 22-23, further system and computer readable medium claims would have been obvious in order to implement the previously rejected method claims 1-3 and 5-14 and are therefore rejected using the same

art and rationale.

Response to Arguments

13. Applicant's arguments with regards to claims 1-3, 5-18, 20, 22, and 23, filed 09/09/2009 have been fully considered but they are not persuasive.
14. APPLICANT REMARKS CONCERNING Claim Rejections - 35 USC § 103 (page 12): The applicant contends that the references teach away from each other. The applicant submits that Norris and the Herald deal with two differing concepts of liquidity. Norris discloses market liquidity: keeping a stable price for a security so that the security will be purchased on the market. The Herald discloses financial liquidity for investment trust companies in order for the companies to be able to pay out redemptions made by investors. It is respectfully submitted that Norris and the Herald disclose opposing financial situations.

Applicant submits that a proposed combination of references cannot change the principle of operation of a reference. (MPEP §2143.01 VI.). Given that the two references disclose opposing financial situations, the combination of Norris and the Herald would require completely modifying or ignoring the principle of operation of one or the other. The commonality of use of term "liquidity" does not overcome the two references' fundamentally opposed purposes and goals.
15. EXAMINER'S RESPONSE: The Examiner respectfully disagrees with Applicant's arguments. The applicant appears to be attaching each individual reference

Art Unit: 3695

based on the intended use of each respective invention and not the combination of the references. One cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Further, the fact that applicant has recognized another advantage which would flow naturally from following the suggestion of the prior art cannot be the basis for patentability when the differences would otherwise be obvious. See *Ex parte Obiaya*, 227 USPQ 58, 60 (Bd. Pat. App. & Inter. 1985).

16. APPLICANT REMARKS CONCERNING Claim Rejections - 35 USC § 103

(pages 13-14): The applicant contends that the rejection is the result of impermissible hindsight reconstruction, using applicants' claims as a frame while selecting components from differing references to fill the gaps of this mosaic obviousness argument..

17. EXAMINER'S RESPONSE: In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge

Art Unit: 3695

gleaned only from the applicant's disclosure, such a reconstruction is proper.

See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

18. APPLICANT REMARKS CONCERNING Claim Rejections - 35 USC § 103

(pages 14-15): The applicant contends that the prior art of record does not teach “determining ... that the registered investment fund has a net share outflow, wherein the net share outflow comprises the registered investment fund having an excess number of shares being redeemed, excluding shares redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a predetermined amount of time” and “prompting, by the computer server in response to the determination that the registered investment fund has a net share outflow, the registered investment fund to offer shares to the liquidity vehicle”.

19. EXAMINER’S RESPONSE: The Examiner respectfully disagrees with Applicant’s arguments. As cited above with regards to combining Goodwin, Norris and the Herald, Goodwin discloses the providing of liquidity through the auction of loans and other financial products, Norris discloses the providing of liquidity through the use of repurchase agreements and the Herald discloses the providing of repurchase agreements in order to meet liquidity requirements when there exists a high degree of share redemptions. Each of the systems are used for providing liquidity to a market through the transfer of shares and the exchange of funds. Goodwin, Norris and the Herald are analogous art and the teachings related to

Art Unit: 3695

the providing of liquidity through the transfer of shares and funds provide a motivation for combining elements as disclosed in each reference. Goodwin discloses prompting an investment fund to sell shares. Norris discloses where shares are held over time through the use of repurchase agreements, and the Herald discloses the use of repurchase agreements when a fund is exposed to liquidity concerns as a result of redemption and the implementation of repurchase agreements in meeting liquidity demands. As is known in the field regarding the use of repurchase agreements, the Herald discloses these limitations through the discussion of providing liquidity to investment trust and securities companies where it is anticipated that investors will redeem funds at greater than usual rates resulting in liquidity issues, accordingly the investment institutions are being offered repurchase agreements in order to meet the expected liquidity shortages and wherein repurchase agreements are entered into for the purpose of creating short term liquidity such that fluctuations of cash inflows and outflows can be accommodated, entering into a repurchase agreement when extra liquidity is required and then repurchasing the securities from a net inflow occurs and the extra liquidity is no longer required. Repurchase agreements are used for meeting short term liquidity needs, and are reversed or "undone" when there is an inflow of cash and the need for liquidity no longer exists. Applicant argues that Goodwin provides alerts and notifications for sellers but fails to disclose prompting an investment fund to sell shares. However, the purpose of the prompts provided to both registered buyers and sellers is not let

Art Unit: 3695

the buys and sellers know of conditions and events, wherein this is a prompt for a buyer or seller to act. Goodwin does not provide such alerts and notifications without purpose, but for the purpose of enabling buyers and sellers to capitalize on trading opportunities.

20. APPLICANT REMARKS CONCERNING Claim Rejections - 35 USC § 103

(pages 14-15): The applicant contends that the prior art of record does not teach “redeeming at least one of the at least one purchased share from the at least one registered investment fund in response to a net inflow of shares of the registered investment fund”.

21. EXAMINER’S RESPONSE: The Examiner respectfully disagrees with Applicant’s arguments. Both Norris and Herald disclose content related to the use of repurchase agreements as a vehicle for providing liquidity. Norris discloses, as noted in the applicant's reply, that the term of the repurchase agreement is "preferably overnight but may be for any term, intraday, multiple day, week, and multiple week, or other term acceptable to the issuer of the facility" (paragraph 84). And Herald discloses where the package is being offered in order to specifically address the liquidity concerns of the financial institutions as they anticipate a shortage of funds. Given the nature of repurchase agreements, namely as a means of generating short term liquidity through an exchange of assets, and the variable time lines as disclosed by Norris, and the recognition that purchase agreements are entered into to address a specific and recognized

Art Unit: 3695

impending funding shortage, it is obvious as detailed in the rejection above that shares are bought and sold based on inflows and outflows of shares and the value of the funding as required to sustain the commitments to investors.

22. Therefore, in view of the above reasons, Examiner maintains rejections.

Conclusion

23. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Gregory Pollock whose telephone number is 571 270-1465. The examiner can normally be reached on 7:30 AM - 4 PM, Mon-Fri Eastern Time.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Chuck Kyle can be reached on 571 272-5233. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3695

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

GAP

11/21/2009

/Gregory Pollock/
Examiner, Art Unit 3695

Gregory A. Pollock

/Thu Thao Havan/
Primary Examiner, Art Unit 3695